

EXECUTION COPY

AMENDMENT NO. 1 TO AMENDED AND RESTATED SECURITY AGREEMENT

This Amendment No. 1 to Amended and Restated Security Agreement (this "**Amendment**"), dated as of May 30, 2008, is among South Carolina Generating Company, Inc., a South Carolina corporation (the "**Company**"), and The Bank of New York Trust Company, N.A., as collateral agent (in such capacity, the "**Collateral Agent**") for the Holders. Capitalized terms used herein that are defined in the Security Agreement (as defined below) and are not otherwise defined herein shall have the meanings given in the Security Agreement, including by reference to the Collateral Agency Agreement (as defined below).

RECITALS:

WHEREAS, the Collateral Agent and the Company are parties to that certain Amended and Restated Security Agreement dated as of February 11, 2004 (as it may hereafter be amended, restated, modified or supplemented and in effect from time to time, the "**Security Agreement**");

WHEREAS, the Collateral Agent, the 1992 Holders and the 2004 Holders are parties to the certain Collateral Agency Agreement, dated as of February 11, 2004 (the "**Existing Collateral Agency Agreement**") relating to certain obligations of the Company;

WHEREAS, the Company has or is about to enter into the 2008 Note Agreement under which the 2008 Purchaser will purchase (a) \$80,000,000 principal amount of the 2008-A Notes and (b) \$80,000,000 principal amount of the 2008-B Notes;

WHEREAS, in connection with the purchase of the 2008-A Notes and the 2008-B Notes by the 2008 Purchaser, the 2008 Purchaser, the Collateral Agent, the 1992 Holders and the 2004 Holders are entering into that certain Amendment No. 1 to Collateral Agency Agreement, dated as of May 30, 2008 (the Existing Collateral Agency Agreement, as amended by such Amendment No. 1 to Collateral Agency Agreement, as it may be further amended, supplemented, restated or otherwise modified from time to time, the "**Collateral Agency Agreement**"); and

WHEREAS, the Company has requested, and it is a condition precedent to the obligations of the 2008 Purchaser to purchase the 2008-A Notes and the 2008-B Notes under the 2008 Note Agreement, that the Company execute and deliver this Amendment in order to cause the Company's obligations under the Transaction Documents (as defined in the 2008 Note Agreement) to be secured by a pari passu security interest in the Collateral.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Recitals. The recitals to this Amendment are hereby incorporated by reference into this Amendment.

Section 2. Amendments to Security Agreement. The Security Agreement is amended as follows:

(a) The definition of “Collateral Agency Agreement” in the Recitals to the Security Agreement is hereby amended in its entirety to read as follows:

“Collateral Agency Agreement” shall have the meaning given in the Amendment No. 1 to this Agreement.”

(b) Section 1.1 of the Security Agreement is hereby amended by amending and restating the following definitions in their entirety to read as follows:

“Lien” shall mean any “Lien”, as defined in the 1992 Note Agreement, any “Lien”, as defined in the 2004 Note Agreement, or any “Lien”, as defined in the 2008 Note Agreement.

“Transaction Documents” shall mean (i) “Transaction Documents” as defined in the 1992 Note Agreement, (ii) “Transaction Documents” as defined in the 2004 Note Agreement, or (iii) “Transaction Documents” as defined in the 2008 Note Agreement.

“Yield-Maintenance Amount” shall mean (i) with respect to the 1992 Notes, “Yield-Maintenance Amount” as defined in the 1992 Note Agreement, (ii) with respect to the 2004 Notes, “Yield-Maintenance Amount” as defined in the 2004 Note Agreement, and (iii) with respect to the 2008-A Notes and the 2008-B Notes, “Yield-Maintenance Amount” as defined in the 2008 Note Agreement.

(c) The first sentence of Section 3.2 of the Security Agreement is hereby amended and restated in its entirety to read as follows:

“The Company owns all of the Collateral free and clear of any Lien (except Liens permitted in paragraph 6B(1) of the 1992 Note Agreement, paragraph 6B(1) of the 2004 Note Agreement and paragraph 6B(1) of the 2008 Note Agreement) and has full right to mortgage, pledge, assign, transfer and grant a security interest in the same to the Collateral Agent.”

(d) The first sentence of Section 4.4 of the Security Agreement is hereby amended and restated in its entirety to read as follows:

“Except as expressly provided in paragraph 6B(3) of the 1992 Note Agreement, paragraph 6B(3) of the 2004 Note Agreement and paragraph 6B(3) of the 2008 Note Agreement, the Company shall not sell, lease, transfer or otherwise dispose of any Collateral, or create or permit to exist any Lien (other than Liens permitted by paragraph 6B(1) of the 1992 Note Agreement, paragraph 6B(1) of the 2004 Note Agreement and paragraph 6B(1) of the 2008 Note Agreement) on any Collateral in favor of any Person other than the Collateral Agent.”

(e) The first sentence of Section 4.5 of the Security Agreement is hereby amended and Restated in its entirety to read as follows:

“The Company shall, at its expense, keep and maintain such insurance as is required by paragraph 5F of the 1992 Note Agreement, paragraph 5F of the 2004 Note Agreement and paragraph 5F of the 2008 Note Agreement.”

(f) Section 5.1(a) of the Security Agreement is hereby amended by deleting the words “Note Agreement” where they appear therein and inserting therefor the words “Note Agreements”.

(g) Section 6.1 of the Security Agreement is hereby amended and restated in its entirety to read as follows:

“6.1 Notices. The provisions of the 1992 Note Agreement, the 2004 Note Agreement and the 2008 Note Agreement shall apply as to the giving of notices hereunder.”

(h) Section 6.2 of the Security Agreement is hereby amended and restated in its entirety to read as follows:

“6.2 Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of the Company, the Collateral Agent, the Holders and their respective successors and assigns (including without limitation any Transferee), except that the Company may not assign or transfer any of its rights or indebtedness under this Agreement without the prior consent of the Required Holder(s), except as permitted by paragraph 6B(3) of the 1992 Note Agreement, paragraph 6B(3) of the 2004 Note Agreement and paragraph 6B(3) of the 2008 Note Agreement.”

(i) The last sentence of Section 6.3 of the Security Agreement is hereby amended and restated to read as follows:

“The Collateral Agent may exercise its rights with respect to any Collateral without resorting or regard to other Collateral, the Mortgaged Property or other sources of reimbursement for Indebtedness (including without limitation the SCANA Guarantee, as defined in the 1992 Note Agreement, the SCANA Guarantee, as defined under the 2004 Note Agreement, and the 2008 SCANA Guarantee, as defined under the 2008 Note Agreement).”

(j) Section 6.5 of the Security Agreement is hereby amended and restated to read as follows:

“6.5 Expenditures by the Collateral Agent. In the event the Company shall fail to pay taxes, insurance, assessments, costs or expenses which the Company is under any of the terms hereof or otherwise required to pay, or fails to keep the Collateral free from Liens (other than Liens permitted by paragraph 6B(1) of the 1992 Note Agreement, paragraph 6B(1) of the 2004 Note

Agreement and paragraph 6B(1) of the 2008 Note Agreement), the Collateral Agent may in its sole discretion make expenditures for any or all of such purposes, and the amount so expended shall be part of the Indebtedness, shall be payable on demand, shall be secured by the Collateral and the Mortgaged Property and shall bear interest at the rate applicable to the Notes.”

Section 3. Confirmation of Grant of Security Interest. The Company hereby confirms the incorporation into the Security Agreement of the terms which are defined in the Collateral Agency Agreement, as defined in the Security Agreement after giving effect to this Amendment. The Company hereby confirms the grant to the Collateral Agent, for the ratable benefit of the Holders, as defined in the Security Agreement after giving effect to this Amendment, under the Security Agreement of, and hereby grants to the Collateral Agent, for the ratable benefit of the Holders, as defined in the Security Agreement after giving effect to this Amendment, of, a security interest in all of the Company’s right, title and interest in and to the Collateral, whether now owned or hereafter acquired by the Company, as collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Indebtedness (as defined in the Security Agreement after giving effect to this Amendment).

Section 4. Representations and Warranties of the Company. To induce the Collateral Agent to execute and deliver this Amendment, the Company represents and warrants to the Collateral Agent (which representations shall survive the execution and delivery of this Amendment), that:

(a) This Amendment has been duly authorized, executed and delivered by it and this Amendment constitutes the legal, valid and binding obligation, contract and agreement of the Company enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally.

(b) The execution, delivery and performance by the Company of this Amendment (i) has been duly authorized by all requisite corporate action and, if required, shareholder action, (ii) does not require the consent or approval of any governmental or regulatory body or agency, and (iii) will not (A) violate (1) any provision of law, statute, rule or regulation or its articles of incorporation or its bylaws, (2) any order of any court or any rule, regulation or order of any other agency or government binding upon it, or (3) any provision of any indenture, agreement or other instrument to which it is a party or by which its properties or assets are or may be bound, or (B) result in a breach or constitute (alone or with due notice or lapse of time or both) a default under any indenture, agreement or other instrument referred to in clause (iii)(A)(3) of this Section 4(b).

(c) As of the date hereof, and after giving effect to this Amendment and the other transactions contemplated hereby (i) the Security Agreement, as amended hereby, constitutes the legal, valid and binding obligations, contracts and agreements of the Company enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally, (ii) each

representation and warranty set forth in the Security Agreement is true and correct (except to the extent such representations and warranties expressly refer to a specific date, in which case they were true and correct as of such date) and (iii) no Default or Event of Default exists.

Section 5. Reference to and Effect on Security Agreement. Each reference to the Security Agreement in any other document, instrument or agreement shall mean and be a reference to the Security Agreement, as modified by this Amendment. This Amendment shall be deemed a Transaction Document. Except as specifically set forth in Sections 2 and 3 hereof, the Security Agreement shall remain in full force and effect and is hereby ratified and confirmed in all respects.


Section 6. Governing Law. This Amendment shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York.

Section 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or electronic transmission shall be effective as delivery of an original executed counterpart of this Amendment.

Section 8. Collateral Agent. The Collateral Agent shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Amendment or for or in respect of the recitals contained herein, all of which are made solely by the Company.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

**SOUTH CAROLINA GENERATING
COMPANY, INC.,** a South Carolina corporation

By: 
Title: Treasurer

**THE BANK OF NEW YORK TRUST
COMPANY, N.A.,** as Collateral Agent

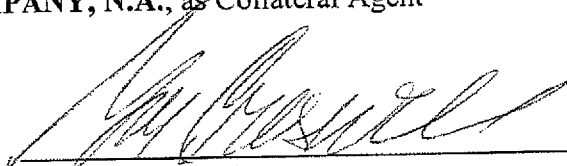
By: _____
Title: _____

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

**SOUTH CAROLINA GENERATING
COMPANY, INC.**, a South Carolina corporation

By: _____
Title: _____

**THE BANK OF NEW YORK TRUST
COMPANY, N.A.**, as Collateral Agent

By: 
Title: Assistant Treasurer